

*Recess week of
August 9, 2016*

**PUBLIC HEALTH
AND SAFETY
STANDING
COMMITTEE**

**FINANCE DEPARTMENT
PURCHASING DIVISION**

August 4, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

ALT-01534 100% City Funding – To Provide an Instructor for the Police Departments Training Academy – Contractor: Althea Lynn Simpson, Location: 139226 Freeland, Detroit, MI 48227 – Contract Period: July 1, 2016 through June 30, 2017 – \$60.00 per hour – Total Contract Amount: \$80,000.00.
POLICE

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER BENSON

RESOLVED, that Contract No. ALT-01534 referred to in the foregoing communication dated August 4, 2016, be hereby and is approved.

**FINANCE DEPARTMENT
PURCHASING DIVISION**

August 4, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

MIC-01556 100% City Funding – To Provide an Instructor for the Detroit Police Department's Professional Education and Training Academy – Contractor: Michael D. Lehto, Location: 48138 Picadilly Court, Canton, MI 48187 – Contract Period: July 1, 2016 through June 30, 2017 – \$60.00 per hour – Total Contract Amount: \$20,160.00. **POLICE**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER BENSON

RESOLVED, that Contract No. MIC-01556 referred to in the foregoing communication dated August 4, 2016, be hereby and is approved.

*Recess week 17
August 16, 2016*

**PUBLIC HEALTH
AND SAFETY
STANDING
COMMITTEE**

**FINANCE DEPARTMENT
PURCHASING DIVISION**

August 11, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

2897462 100% City Funding – To Provide MFR/EMR Classes – Contractor: Botsford Hospital d/b/a Life Support Training Institute, Location: 25400 W. Eight Mile Road, Southfield, MI 48033 – Contract Period: November 18, 2014 through December 31, 2016 Contract Increase: \$115,000.00 – Total Contract Amount: \$459,574.00. **FIRE**

This Amendment is for increase of funds only. The original amount is \$344,574.00

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER **BENSON**

RESOLVED, that Contract No. 2897462 referred to in the foregoing communication dated August 11, 2016, be hereby and is approved.

**FINANCE DEPARTMENT
PURCHASING DIVISION**

August 11, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6000071 100% City Funding – To Provide Hazardous Material Clean Up Services – Contractor: Marine Pollution Control, Location: 8631 West Jefferson, Detroit, MI 48209 – Contract Period: Upon City Council Approval through May 30, 2018– Total Contract Amount: \$300,000.00. **FIRE**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER **BENSON**

RESOLVED, that Contract No. 6000071 referred to in the foregoing communication dated August 11, 2016, be hereby and is approved.

**FINANCE DEPARTMENT
PURCHASING DIVISION**

August 11, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6000248 100% City Funding – To Provide Medical Oxygen to EMS Department –
Contractor: Linde Gas North America (NA) LLC (LifeGas), Location:
5001 DeWitt St., Canton, MI 48188 – Contract Period: Upon City Council
Approval through August 14, 2018– Total Contract Amount: \$91,335.20.
FIRE

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER BENSON

RESOLVED, that Contract No. 6000248 referred to in the foregoing communication dated August 11, 2016, be hereby and is approved.



CITY OF DETROIT
OFFICE OF THE CFO
OFFICE OF CONTRACTING AND
PROCUREMENT

53

USE!

1008 COLEMAN A. YOUNG
MUNICIPAL CENTER
DETROIT, MICHIGAN 48226
PHONE 313 • 224 • 4600
FAX 313 • 628 • 1160

August 11, 2016

TO: HONORABLE CITY COUNCIL

Re: Contracts and Purchase Orders Scheduled to be considered at the Formal Session of August 16, 2016

Please be advised that the Contract was submitted on August 11, 2016 for the City Council RECESS Agenda for August 16, 2016 has been amended as follows:

1. The contractor's **contract period and per hour cost** was submitted incorrectly to Purchasing by the Department. Please see the correction(s) below:

Submitted as: Page 1

FIRE

ROB-01832 100% City Funding – To Provide an EMS Medical Director – Contractor:
Robert B. Dunne, Location: 51800 Nine Mile Road, Northville, MI 48067 –
Contract Period: July 1, 2016 through June 30, 2017 – \$46.73 per hour – Total
Contract Amount: \$97,200.00

Should read as: Page 1

FIRE

ROB-01832 100% City Funding – To Provide an EMS Medical Director – Contractor:
Robert B. Dunne, Location: 51800 Nine Mile Road, Northville, MI 48067 –
Contract Period: **August 25, 2016** through June 30, 2017 – **\$135.00** per
hour – Total Contract Amount: \$97,200.00

Respectfully Submitted,

Boysie Jackson Boysie Jackson
Chief Procurement Officer
BJ/zh

July 11, 2016

BY COUNCIL MEMBER: _____

RESOLVED, that contract ROB-01832 referred to in the foregoing communication dated August 11, 2016, be hereby and is approved.

**FINANCE DEPARTMENT
PURCHASING DIVISION**

August 11, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

DONATION DPS Foundation Grant – A Request to Accept and Appropriate AED Kits and Custom Tactical First Aid Packs Donation from the Detroit Public Safety Foundation – FY 2016 – Contractor: Detroit Public Safety Foundation – Contract Period: Upon City Council Approval – Total Donation Value: \$52,937.85. **POLICE**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER **BENSON**

RESOLVED, that the **DONATION** referred to in the foregoing communication dated August 11, 2016, be hereby and is approved.

**FINANCE DEPARTMENT
PURCHASING DIVISION**

August 11, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

MAR-01997 100% City Funding – To Provide a Communications Training and Quality Assurance Coordinator – Contractor: Marlo Adkins, Location: 8453 Smethwick, Sterling Heights, MI 48312 – Contract Period: August 1, 2016 through July 31, 2017 – \$40.00 per hour – Total Contract Amount: \$83,200.00. **POLICE**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER **BENSON**

RESOLVED, that Contract No. MAR-01997 referred to in the foregoing communication dated August 11, 2016, be hereby and is approved.

**FINANCE DEPARTMENT
PURCHASING DIVISION**

August 11, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

2841740 100% City (Street) Funding – To Provide Construction Engineering and Inspection for the Link Detroit Project – Contractor: Parsons Brinckerhoff Michigan Inc., Location: 500 Griswold St., Suite 2900, Detroit, MI 48226 – Contract Period: September 5, 2013 through December 31, 2017 – Contract Increase: \$546,365.24 – Total Contract Amount: \$2,425,464.15.
PUBLIC WORKS

This Amendment is for increase of funds only. Original contract amount is \$1,879,098.91

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER **BENSON**

RESOLVED, that Contract No. 2841740 referred to in the foregoing communication dated August 11, 2016, be hereby and is approved.

**FINANCE DEPARTMENT
PURCHASING DIVISION**

August 11, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

2881025 53% Federal, 20% Street, 27% Other Funding – To Provide Construction Engineering and Inspection (CE&I) Services for Eight (8) MDOT Projects – Contractor: Parsons Brinckeroff Michigan Inc., Location: 500 Griswold St., Suite 2900, Detroit, MI 48226 – Contract Period: October 17, 2013 through December 31, 2017 – Contract Increase: \$377,419.63 – Total Contract Amount: \$2,582,656.07. **PUBLIC WORKS**

This Amendment is for increase of funds only. Original contract amount is \$2,205,236.44

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER BENSON

RESOLVED, that Contract No. 2881025 referred to in the foregoing communication dated August 11, 2016, be hereby and is approved.

*Recess week of
August 23, 201*

**PUBLIC HEALTH
AND SAFETY
STANDING
COMMITTEE**

**FINANCE DEPARTMENT
PURCHASING DIVISION**

August 18, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6000259 100% City Funding – To Provide Identification Cards to all Eligible Detroit Residents – Contractor: SF Global, Location: 250 Frank H. Ogawa Plaza, Suite 6301, Oakland, CA 94612 – Contract Period: Upon City Council Approval through August 30, 2018 – Total Contract Amount: \$303,600.00. **HEALTH AND WELLNESS**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER **BENSON**

RESOLVED, that Contract No. 6000259 referred to in the foregoing communication dated August 18, 2016, be hereby and is approved.

**FINANCE DEPARTMENT
PURCHASING DIVISION**

August 19, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6000253 100% City Funding – Lease Contract between the Detroit Building Authority and the Police Department for Build Out of the Real Time Crime Center on the Fourth Floor of the Detroit Public Safety Headquarters – Contractor: Detroit Building Authority, Location: 1301 Third Street, Suite 328, Detroit, MI 48226 – Contract Period: Upon FRC Council Approval Thereafter 3 years – Total Contract Amount: \$3,562,931.00. **POLICE**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER BENSON

RESOLVED, that Contract No. 6000253 referred to in the foregoing communication dated August 19, 2016, be hereby and is approved.

**FINANCE DEPARTMENT
PURCHASING DIVISION**

August 18, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6000082 100% Federal Funding – To Provide Building and Permitting Plan Review Software – Contractor: Avolve Software, Location: 4835 East Cactus Road, Suite 420, Scottsdale, AZ 85255 – Contract Period: Upon City Council Approval through June 19, 2018 – Total Contract Amount: \$410,350.00. **BUILDING, SAFETY, ENGINEERING AND ENVIRONMENT**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER BENSON

RESOLVED, that Contract No. 6000082 referred to in the foregoing communication dated August 18, 2016, be hereby and is approved.

**FINANCE DEPARTMENT
PURCHASING DIVISION**

August 18, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6000256 100% Federal Funding – To Provide Environmental Site Assessments for Parcel #3 at Riverside Park – Contractor: ASTI Environmental, Location: 28 West Adams St., Suite 1001, Detroit, MI, 48226 – Contract Period: Upon City Council Approval through September 30, 2018 – Total Contract Amount: \$338,800.00. **BUILDING, SAFETY, ENGINEERING AND ENVIRONMENT**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER **BENSON**

RESOLVED, that Contract No. 6000256 referred to in the foregoing communication dated August 18, 2016, be hereby and is approved.

**FINANCE DEPARTMENT
PURCHASING DIVISION**

August 18, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

3003965 100% City Funding – To Provide Hazardous Material Suits – Contractor:
Aramco, Location: 1480 Grandview Ave., P.O. Box 29, Thorofare, NJ
08086 – Contract Period: Upon City Council Approval through October
18, 2017 – Total Contract Amount: \$45,556.85. **FIRE**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER **BENSON**

RESOLVED, that Contract No. 3003965 referred to in the foregoing communication dated August 18, 2016, be hereby and is approved.

**FINANCE DEPARTMENT
PURCHASING DIVISION**

August 18, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6000251 100% City Funding – To Provide for the Operation and Maintenance of
The Detroit People Mover – Contractor: Detroit Transportation Corp.,
Location: 535 Griswold, Suite 400, Detroit, MI 48226 – Contract Period:
Upon FRC Approval through June 30, 2017 – Total Contract Amount:
\$6,500,000.00. **TRANSPORTATION**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER **BENSON**

RESOLVED, that Contract No. 6000251 referred to in the foregoing communication dated August 18, 2016, be hereby and is approved.

*Recess week
August 30, 2016*

**PUBLIC HEALTH
AND SAFETY
STANDING
COMMITTEE**

**OFFICE OF CONTRACTING
AND PROCUREMENT**

August 25, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

6000249 100% City Funding – To Provide Consulting Services – Contractor: NTH Consultants, Ltd., Location: 41780 Six Mile Road, Northville, MI 48178 – Contract Period: September 1, 2016 through August 31, 2017 – Total Contract Amount: \$215,000.00. **PUBLIC LIGHTING**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER **BENSON**

RESOLVED, that Contract No. 6000249 referred to in the foregoing communication dated August 25, 2016, be hereby and is approved.

OFFICE OF CONTRACTING
AND PROCUREMENT

August 26, 2016

HONORABLE CITY COUNCIL:

The Purchasing Division of the Finance Department recommends a Contract with the following firm(s) or person(s):

RTA-DDOT To Provide a Pass Through Agreement Between City of Detroit Department of
AGREEMENT Transportation and Regional Transit Authority of Southeast Michigan –
Contractor: Regional Transit Authority of Southeast Michigan – Contract
Period: September 3, 2016 through November 30, 2016 – Total Contract
Amount: \$371,000.00. **TRANSPORTATION (RTA to Provide \$371,000 to
DDOT to Operate the Reflex Service on Woodward Avenue between Somerset
Mall and Downtown Detroit.)**

Respectfully submitted,

Boysie Jackson, Chief Procurement Officer
Finance Department/Purchasing Division

BY COUNCIL MEMBER BENSON

RESOLVED, that Contract No. RTA-DDOT AGREEMENT referred to in the foregoing communication dated August 26, 2016, be hereby and is approved.

Referrals
9/6/16

**BUDGET,
FINANCE, AND
AUDIT STANDING
COMMITTEE**

City of Detroit
OFFICE OF THE CITY CLERK

Janice M. Winfrey
City Clerk

Vivian A. Hudson
Deputy City Clerk

66

August 16, 2016

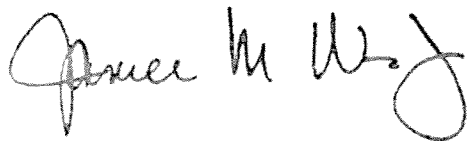
Honorable City Council
2 Woodward Ave. Ste 1340
Detroit, MI 48226

RE: Application for 143 Homestead Neighborhood Enterprise Zone Certificates for Various NEZ-H Approved Areas within Phase 1 and Phase II List # 2016-01

Dear Council Members:

On October 21, 1992, your Honorable Body established Homestead Neighborhood Enterprise Zones. In am in receipt of list number 2016-01, which shows one hundred forty three (143) applicants for Homestead Neighborhood Enterprise Zone Certificates. **THE APPLICATIONS HAVE BEEN REVIEWED AND RECOMMENDED FOR APPROVAL BY THE FINANCE ASSESSMENTS DIVISION – SPREADSHEET COPY IS ATTACHED.** Therefore, the attached Resolution, if adopted by your Honorable Body, will approve these applications. A waiver of reconsideration is requested.

Respectfully Submitted,



Janice M. Winfrey
City Clerk

JMW/ed
Enclosure

RESOLUTION

By Council Member _____

WHEREAS, Michigan Public Act 147 of 1992 ("the act") as amended in 2005, allows the local legislative body to establish Homestead Facilities Neighborhood Enterprise Zones for the purpose of providing exemption from ad valorem property taxes, and the imposition of specific property tax in lieu of ad valorem taxes; and

WHEREAS, The Detroit City Council has established a Homestead Facilities Neighborhood Enterprise Zone for the following areas(s), in the manner required by and pursuant to Public Act 147 of 1992, ("the act") as amended in 2005 on July 28, 2006.

NOW, THEREFORE, BE IT RESOLVED, That the City Council approve the following addresses attached to this resolution as receipt of Homestead Facilities Neighborhood Enterprise Zone Certificates for a fifteen (15) year(s) period:

AND BE IT FURTHER RESOLVED, That the City Clerk shall forward each tax exemption certificate application to the State Tax Commission.



CITY OF DETROIT
FINANCE DEPARTMENT
BOARD OF ASSESSORS

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVENUE, SUITE 824
DETROIT, MICHIGAN 48226
PHONE 313-224-6989 TTY-311
FAX 313-224-9400
WWW.DETROITMI.GOV

August 1, 2016

Honorable City Council:

RE: Application for 143 Homestead Neighborhood Enterprise Zone (NEZ-H) Certificates, for various NEZ-H approved areas within Phase I and Phase II List # 2016-01 (Recommend Approval)

Your Honorable Bodies approved the Homestead Facilities Neighborhood Enterprise Zone (NEZ-H) designation for **Phase I** areas on July 28, 2006 and **Phase II** areas on July 13, 2007. The Finance Assessments Division, has received 143 applications for the Homestead Facilities Neighborhood Enterprise Zone Certificates, in the said area and submits same for approval in accordance with **PA 147 of 1992**, as amended by **PA 284 of 2008**.

Homestead facilities (NEZ-H) certificates are hereby requested for the parcel identification numbers shown on **List 2016-01** attached to this memorandum. The properties have all been confirmed as being within the boundaries of NEZ-H areas Phase I and Phase II. The properties listed herein are homestead properties; each homeowner has a Principal Residence Exemption Affidavit on file with this office. The parcels identified on List **2016-01** have met the statutory requirements and are eligible for the Homestead facilities NEZ-H certificates, as stipulated under the public act **PA 147 of 1992**, as amended by **PA 284 of 2008**.

The Finance Assessments Division, has review the attached applications and recommends approval. The Board of Assessors, therefore respectfully request that the City Council, pass a resolution to establish the properties listed as qualified in the designated areas and direct the City Clerk, to forward the necessary documents within 30 days to the Board of Assessors, for the final approval and implementation.

Upon receipt of your Honorable Body's resolution and approval of the same, the Board of Assessor's, shall issue Homestead Facilities (NEZ-H) certificates to homeowners identified on list #2016-01 and make required changes to the Assessment roll.

Respectfully submitted,

Lisa Hobart, Chief Assessor

Attachments: Janice M. Winfrey, City Clerk

cc: Stefanie O'Neal MCAO

2016 AUG 16 P 1:48

OFFICE OF THE
DETROIT CITY CLERK

City of Detroit
OFFICE OF THE CITY CLERK

Janice M. Winfrey
City Clerk

Vivian A. Hudson
Deputy City Clerk

(67)

August 16, 2016

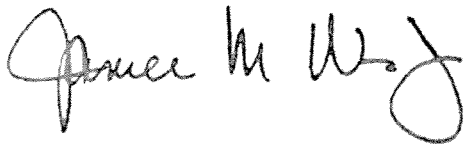
Honorable City Council
2 Woodward Ave. Ste 1340
Detroit, MI 48226

**RE: Application for 23 Homestead Neighborhood Enterprise Zone Certificates for
Various NEZ-H Approved Areas within Phase 1 and Phase II List # 2016-02**

Dear Council Members:

On October 21, 1992, your Honorable Body established Homestead Neighborhood Enterprise Zones. In am in receipt of list number 2016-02, which shows twenty three (23) applicants for Homestead Neighborhood Enterprise Zone Certificates. **THE APPLICATIONS HAVE BEEN REVIEWED AND RECOMMENDED FOR APPROVAL BY THE FINANCE ASSESSMENTS DIVISION – SPREADSHEET COPY IS ATTACHED.** Therefore, the attached Resolution, if adopted by your Honorable Body, will approve these applications. A waiver of reconsideration is requested.

Respectfully Submitted,



Janice M. Winfrey
City Clerk

JMW/ed
Enclosure

RESOLUTION

By Council Member _____

WHEREAS, Michigan Public Act 147 of 1992 (“the act”) as amended in 2005, allows the local legislative body to establish Homestead Facilities Neighborhood Enterprise Zones for the purpose of providing exemption from ad valorem property taxes, and the imposition of specific property tax in lieu of ad valorem taxes; and

WHEREAS, The Detroit City Council has established a Homestead Facilities Neighborhood Enterprise Zone for the following areas(s), in the manner required by and pursuant to Public Act 147 of 1992, (“the act”) as amended in 2005 on July 28, 2006.

NOW, THEREFORE, BE IT RESOLVED, That the City Council approve the following addresses attached to this resolution as receipt of Homestead Facilities Neighborhood Enterprise Zone Certificates for a fifteen (15) year(s) period:

AND BE IT FURTHER RESOLVED, That the City Clerk shall forward each tax exemption certificate application to the State Tax Commission.



CITY OF DETROIT
FINANCE DEPARTMENT
BOARD OF ASSESSORS

COLEMAN A. YOUNG MUNICIPAL CENTER
2 WOODWARD AVE., SUITE 824
DETROIT, MICHIGAN 48226
PHONE 313•224•6989 TTY:311
FAX 313•224•9400
WWW.DETROITMI.GOV

August 1, 2016

Honorable City Council:

RE: Application for 23 Homestead Neighborhood Enterprise Zone (NEZ-H) Certificates, for various NEZ-H approved areas within Phase I and Phase II List # 2016-02 (Recommend Approval)

Your Honorable Bodies approved the Homestead Facilities Neighborhood Enterprise Zone (NEZ-H) designation for **Phase I** areas on July 28, 2006 and **Phase II** areas on July 13, 2007. The Finance Assessments Division, has received 143 applications for the Homestead Facilities Neighborhood Enterprise Zone Certificates, in the said area and submits same for approval in accordance with **PA 147 of 1992**, as amended by **PA 284 of 2008**.

Homestead facilities (NEZ-H) certificates are hereby requested for the parcel identification numbers shown on **List 2016-02** attached to this memorandum. The properties have all been confirmed as being within the boundaries of NEZ-H areas Phase I and Phase II. The properties listed herein are homestead properties; each homeowner has a Principal Residence Exemption Affidavit on file with this office. The parcels identified on **List 2016-02** have met the statutory requirements and are eligible for the Homestead facilities NEZ-H certificates, as stipulated under the public act **PA 147 of 1992**, as amended by **PA 284 of 2008**.

The Finance Assessments Division, has review the attached applications and recommends approval. The Board of Assessors, therefore respectfully request that the City Council, pass a resolution to establish the properties listed as qualified in the designated areas and direct the City Clerk, to forward the necessary documents within 30 days to the Board of Assessors, for the final approval and implementation.

Upon receipt of your Honorable Body's resolution and approval of the same, the Board of Assessor's, shall issue Homestead Facilities (NEZ-H) certificates to homeowners identified on list #2016-01 and make required changes to the Assessment roll.

Respectfully submitted,

Lisa Hobart, Chief Assessor

Attachments: Janice M. Winfrey, City Clerk

cc: Stefanie O'Neal MCAO

2016 AUG 16 P 1:48

OFFICE OF THE
DETROIT CITY CLERK

David Whitaker, Esq.
Director
Irvin Corley, Jr.
Executive Policy Manager
Marcell R. Todd, Jr.
Senior City Planner

LaKisha Barclift, Esq.
M. Rory Bolger, PhD, AICP
Timothy Boscarino, AICP
Kemba Braynon
Elizabeth Cabot, Esq.
Janese Chapman
Tasha Cowan


City of Detroit

CITY COUNCIL

LEGISLATIVE POLICY DIVISION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-4946 Fax: (313) 224-4336

Richard Drumb
George Etheridge
Deborah Goldstein
Derrick Headd
Marcel Hurt
Kimani Jeffrey
Anne Marie Langan
Analine Powers, PhD
Sabrina Shockley
Thomas Stephens, Esq.
David Teeter
Theresa Thomas
Kathryn Lynch Underwood

TO: The Honorable Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division (LPD) Staff

DATE: July 27, 2016

RE: **Amending the Special Assessment Districts (SAD) Ordinance to require 70% approval of resident homeowners to establish a SAD**

On June 28, 2016, both Council President Jones and Council Member Sheffield requested that LPD either draft a resolution requesting that the State legislature amend the enabling legislation for Special Assessment Districts (SADs) to require approval by a 70% super majority in order to establish a SAD, or provide language amending the ordinance to that effect.

LPD's preliminary review of the existing applicable law indicates that, in the event that a majority of City Council desires to make this change, it should be within Council's authority to do so. However, LPD requests that this report be referred to Corporation Counsel for his official opinion on this legal point.¹

The State enabling statute for SADs, MCL 117.51 (attached), states that "Whether or not authorized by its charter, a city with a population of more than 600,000 **may provide by ordinance a procedure to finance by special assessments** the provision by private contractors of snow removal from streets, mosquito abatement, and security services." (emphasis added) It subsequently states, regarding the approval requirement to establish such a district: "The record owners of **not less than 51%** of the land comprising the actual special assessment district must have signed the petitions." (emphasis added)

Therefore, the State legislation: 1) Authorizes the City of Detroit to establish by ordinance the procedure to finance such a district; and 2) Requires "not less than 51%" of the resident homeowners to approve it. Significantly, it does not state that, in establishing such a procedure,

¹ See footnote 2, below.

the City may not require more than 51% of the local land owners to sign the petitions in order to establish the SAD. Therefore, LPD concludes that the State law authorizes the City to do what it does not prohibit, on the face of the statute.

Therefore, based on existing law, Council can, if it wishes to do so, increase the requirement from 51% to 70%, merely by changing the number 51 to 70 in Section 18-1-27(a) (attached).²

If Council has any other questions or concerns regarding this subject, LPD will be happy to provide further research and analysis upon request.

² Similarly, as previously noted in LPD's reports dated July 10, 2014, and June 28, 2016, (attached) in LPD's legal opinion Council should have the authority to exclude foreclosure from the available remedies for nonpayment of a SAD assessment. To do so, the City could amend Section 18-12-138 to state as follows:

"From the date of confirmation of the special assessment roll, any unpaid Tax Parcel Share, including any part of as Tax Parcel Share deferred as to payment, shall be a lien on the associated Tax Parcel, and shall also be a debt of the Record Owner. The lien shall be of the same character and effect as the lien created for municipal property taxes and shall accrue interest and penalties in the same manner. The lien shall be enforced in the same manner prescribed in state law, the Detroit City Charter, and this Code for the enforcement of special assessment liens or tax liens. However, property is not subject to forfeiture, foreclosure, and sale under sections 78 to 79a of the general property tax act, 1893 PA 206, MCL 211.78 to 211.79a, for nonpayment of an assessment under this ordinance unless the property also is subject to forfeiture, foreclosure, and sale under sections 78 to 79a of the general property tax act, 1893 PA 206, MCL 211.78 to 211.79a, for delinquent property taxes. The Board of Assessors shall not return an unpaid special assessment to the county treasurer." (attached) (emphasis added)

However, the Law Department has previously disagreed with LPD's opinion, arguing that Council and the City lack authority to adopt such an exception by amending the ordinance.



City of Detroit

CITY COUNCIL

MARY SHEFFIELD
COUNCIL MEMBER
DISTRICT 5

MEMORANDUM

TO: Mr. David Whitaker, Director
Legislative Policy Division

THROUGH: Council President Brenda Jones

FROM: Council Member Mary Sheffield *MS*

DATE: June 28, 2016

RE: Request for LPD to provide draft a resolution amending the Special
Assessment District Ordinance to Require 70% approval

In the Michigan Legislature, any new tax requires a super majority for passage. Thus, I am requesting that LPD draft a resolution amending the Special Assessment District ordinance to require petitioning organizations to achieve a 70% approval of the homeowners in the proposed district. I am also requesting that the resolution implore the State Legislature to amend the authorizing legislation to include the 70% requirement.

Thank you.

Tom/George

Formal Session of 7-5-16
Line Item#(s) 15
From/To: ☒ Regular Session ☐ New Business
☒ LP&A ☐ PH&S ☐ Internal Ops ☐ N&CS ☐ P&ED
☐ TR&SP ☐ The Clerk ☐ Other
Authorized ☐ Referred To Committee
Failed ☐ Other



City of Detroit

CITY CLERK

MARY SHEFFIELD
COUNCIL MEMBER
DISTRICT 5

MEMORANDUM

TO: Mr. David Whitaker, Director
Legislative Policy Division

THROUGH: Council President Brenda Jones

FROM: Council Member Mary Sheffield

DATE: June 28, 2016

RE: Request for LPD to provide draft a resolution amending the Special
Assessment District Ordinance to Require 70% approval

In the Michigan Legislature, any new tax requires a super majority for passage. Thus, I am requesting that LPD draft a resolution amending the Special Assessment District ordinance to require petitioning organizations to achieve a 70% approval of the homeowners in the proposed district. I am also requesting that the resolution implore the State Legislature to amend the authorizing legislation to include the 70% requirement.

Thank you

THE HOME RULE CITY ACT (EXCERPT)
Act 279 of 1909

117.5i Snow removal from streets, mosquito abatement, and security services provided by private contractors; special assessment.

Sec. 5i. (1) Whether or not authorized by its charter, a city with a population of more than 600,000 may provide by ordinance a procedure to finance by special assessments the provision by private contractors of snow removal from streets, mosquito abatement, and security services. The ordinance shall authorize the use of petitions to initiate the establishment of a special assessment district. The record owners of not less than 51% of the land comprising the actual special assessment district must have signed the petitions.

(2) A service instituted under this section may be discontinued upon petition by the record owners of 51% of the land comprising the special assessment district.

History: Add. 1994, Act 431, Imd. Eff. Jan. 6, 1995;—Am. 2001, Act 173, Imd. Eff. Dec. 11, 2001;—Am. 2011, Act 287, Imd. Eff. Dec. 21, 2011.

Sec. 18-12-127. - Submission of completed petition.

- (a) A DNIO seeking to establish a SAD pursuant to this division shall submit the completed petition to the City Clerk. A completed petition may consist of multiple signed counterparts. The administering department may require the DNIO to submit on a form provided by the administering department a summary of the petition, to include such items as the number of exempt, nonexempt, and total tax parcels in the SAD, the area of land in the SAD, the number of signatures, the total area of the tax parcels whose record owners signed the petition, and the percentage of the land comprising the SAD receiving signatures. To be complete, and in compliance with MCL 117.5i, the petition must be signed by the Record Owners of not less than 70 percent of the land within the geographic boundaries of the proposed SAD.

Sec. 18-12-138. - Special assessment as lien.

From the date of confirmation of the special assessment roll, any unpaid Tax Parcel Share, including any part of as Tax Parcel Share deferred as to payment, shall be a lien on the associated Tax Parcel, and shall also be a debt of the Record Owner. The lien shall be of the same character and effect as the lien created for municipal property taxes and shall accrue interest and penalties in the same manner. The lien shall be enforced in the same manner prescribed in state law, the Detroit City Charter, and this Code for the enforcement of special assessment liens or tax liens. *However, property is not subject to forfeiture, foreclosure, and sale under sections 78 to 79a of the general property tax act, 1893 PA 206, MCL 211.78 to 211.79a, for nonpayment of an assessment under this ordinance unless the property also is subject to forfeiture, foreclosure, and sale under sections 78 to 79a of the general property tax act, 1893 PA 206, MCL 211.78 to 211.79a, for delinquent property taxes. The Board of Assessors shall not return an unpaid special assessment to the county treasurer.*

David Whitaker, Esq.

Director

Irvin Corley, Jr.

Executive Policy Manager

Marcell R. Todd, Jr.

Senior City Planner

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Sabrina Shockley

David Teeter

TO: The Honorable City Council

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: July 10, 2014

RE: **Foreclosure as a remedy for nonpayment of neighborhood special assessments**

Member Benson referred to the Legislative Policy Division the issue of: 1) whether Ordinance No. 07-14, Chapter 18, Article XII, Sections 18-12-20 to 18-12-146, "*Special Assessments for Snow Removal, Mosquito Abatement, and Security Services*," provides for referral of nonpaying homeowners to the County Tax Assessor with the implied threat of foreclosure, as an enforcement mechanism. If so, LPD has been asked to analyze and report on: 2) whether or not such a result should be desirable, or avoided, as matter of policy; and 3) also whether and how to amend the ordinance, if necessary, to avoid such a result.

The ordinance is based on state statute MCL 117.5i, which provides that "Whether or not authorized by its charter, a city with a population of more than 600,000 may provide by ordinance a procedure to finance by special assessments the provision by private contractors of snow removal from streets, mosquito abatement, and security services. The ordinance shall authorize the use of petitions to initiate the establishment of a special assessment district."

In effectuating that statutory intent, on April 29, 2014, Your Honorable Body passed the referenced ordinance amendments. In pertinent part, they provide that:

- Although adequate snow removal, mosquito abatement and security services will strengthen property values and enhance quality of life in City neighborhoods, their cost may exceed the cost of the basic level of services that the City must provide to all Citizens [Sec. 18-12-120(b)(2)]

- As a matter of fundamental fairness, those benefiting from such services should share in paying their costs through special assessment [Sec. 18-12-120(b)(4)]
- “Special Assessment District” (SAD) means a geographic area in which one or more Services are financed by special assessment as established under the ordinance (Sec. 18-12-121)
- The Finance Department may adopt rules for the implementation and administration of the ordinance [Sec. 18-12-123(a)]
- **“From the date of confirmation of the special assessment roll, any unpaid Tax Parcel Share, including any part of as Tax Parcel Share deferred as to payment, shall be a lien on the associated Tax Parcel, and shall also be a debt of the Record Owner. The lien shall be of the same character and effect as the lien created for municipal property taxes and shall accrue interest and penalties in the same manner. The lien shall be enforced in the same manner prescribed in state law, the Detroit City Charter, and this Code for the enforcement of special assessment liens or tax liens.”** (Sec. 18-12-138) (emphasis added)

The above provisions, especially the last, emphasized section 18-12-138, clearly establish that the lien for an unpaid special assessment established under this ordinance could be used as a basis for tax foreclosure, just like any other lien that is so enforceable. Whether or not the option of tax foreclosure as an enforcement mechanism for nonpayment of such a special assessment would be a desirable policy is of course the prerogative of Your Honorable Body. Council Members are well aware of the controversies and hardships attendant on the policy of including, for example, unpaid water and sewerage bills, on tax rolls, potentially leading to foreclosure.¹ Moreover, the City of Detroit has suffered grievous economic and social harm from successive waves of foreclosures on homeowners that have decimated neighborhoods and property values.² The idea of increasing the foreclosure rate and crisis, based on potentially large numbers of diverse disputes over amounts owed for services rendered in the areas of snow removal, mosquito abatement and security, is extremely undesirable.

¹ There are potentially a very large number of case-by-case factual scenarios that could be encompassed in a dispute between an individual property owner and a neighborhood subject to such a special assessment over nonpayment. The particular case might involve grossly negligent failure to provide adequate services to the property owner in question; a “free rider’s” refusal to pay for beneficial services without any justification whatsoever; or any number of foreseeable fact patterns in between such extremes. The policy determination of whether or not foreclosure may be appropriate in a given situation is certainly made more difficult by such diverse potential applications.

² Another view might be based on the current legislative intent of making all available enforcement mechanisms available against unpaid special assessments, which seems to argue, on its face, for potentially including the threat of foreclosure as one enforcement mechanism. The adverse social and economic consequences of foreclosure and the availability of less harsh remedies such as bringing suit for nonpayment weigh against that policy alternative.

LPD's research indicates that making the harsh remedy of foreclosure available for failure or refusal to pay such a special assessment seems to be legally permissible, not mandatory. MCL 117.5i authorizes the City to provide a procedure for collecting such special assessments, and mandates that it be done by petition, without mandating foreclosure as a remedy for nonpayment. If the State legislature had intended to mandate foreclosure as a remedy, they could have done so. The fact that they did not, and the relatively extreme nature of foreclosure, strongly suggest they did not intend to require it in all cases of nonpayment of such special assessments.

Pursuant to MCL 211.55, "A township treasurer or other collecting officer may include as a delinquent tax any unpaid special assessment which is delinquent on the last day of February in the delinquent taxes returned to the county treasurer the next day pursuant to this section." (emphasis added) The word "may" indicates that it is not mandatory.³ Similarly, Sections 8-403 and 8-604 of the City Charter, while enabling tax foreclosures under some circumstances for failure to pay property taxes and assessments, do not make foreclosure a mandatory remedy for failure to pay a special assessment. Other remedies – such as bringing suit to collect the funds – are expressly available. Therefore LPD believes – subject to further research and consultation with the Law Department and other tax foreclosure specialists – that if Council were to prohibit the harsh remedy foreclosure in some or all such cases, it would be within Council's Charter-mandated powers to do so, and would not directly conflict with any contrary provision of an applicable state statute.

An alternative policy is embodied in MCL 125.990h, governing "Principal Shopping Districts and Business Improvement Districts," Act 120 of 1961. That statute, in the context of a similar policy contemplating collection of unpaid liens in the same manner as other unpaid taxes owed by law, expressly adds an exception as follows: **"However, property is not subject to forfeiture, foreclosure, and sale under sections 78 to 79a of the general property tax act, 1893 PA 206, MCL 211.78 to 211.79a, for nonpayment of an assessment under this chapter unless the property also is subject to forfeiture, foreclosure, and sale under sections 78 to 79a of the general property tax act, 1893 PA 206, MCL 211.78 to 211.79a, for delinquent property taxes."** (emphasis added)

If Your Honorable Body deems foreclosure to be an excessively harsh remedy for failure or refusal to pay a neighborhood special assessment, LPD respectfully suggests that language like the above could be added to Section 18-12-138 to preclude it.⁴ In that event, Section 18-12-138 would be amended to read substantially as follows:

³ The same statute also provides that "A delinquent special assessment included as a delinquent tax pursuant to this section shall, after return to the county treasurer, be a valid tax for all purposes under this act." (emphasis added) However, LPD believes that, if the City ordinance were to prohibit the Board of Assessors from returning an unpaid special assessment to the county treasurer, that mandatory requirement would not be triggered, because the "delinquent special assessment" would not have been "included as a delinquent tax."

⁴ In this context, because of the above-noted mandatory language in MCL 211.55 (Note 3, *supra*), expressly prohibiting the Board of Assessors from returning an unpaid special assessment to the county treasurer would probably also be desirable.

“From the date of confirmation of the special assessment roll, any unpaid Tax Parcel Share, including any part of as Tax Parcel Share deferred as to payment, shall be a lien on the associated Tax Parcel, and shall also be a debt of the Record Owner. The lien shall be of the same character and effect as the lien created for municipal property taxes and shall accrue interest and penalties in the same manner. The lien shall be enforced in the same manner prescribed in state law, the Detroit City Charter, and this Code for the enforcement of special assessment liens or tax liens. *However, property is not subject to forfeiture, foreclosure, and sale under sections 78 to 79a of the general property tax act, 1893 PA 206, MCL 211.78 to 211.79a, for nonpayment of an assessment under this ordinance unless the property also is subject to forfeiture, foreclosure, and sale under sections 78 to 79a of the general property tax act, 1893 PA 206, MCL 211.78 to 211.79a, for delinquent property taxes. The Board of Assessors shall not return an unpaid special assessment to the county treasurer.*” (amended language in italics)ⁱ

If Council has any additional questions or concerns regarding this referral, LPD would be pleased to provide further research and analysis and report back regarding same.

ⁱ Alternatively, if Your Honorable Body were to deem foreclosure inappropriate only in cases of willful or unjustifiable refusal to pay, the same exception could in theory be provided under that designated circumstance. However, such a limited standard would raise another potential issue of implementation and enforcement, in terms of who decides, and by what substantive legal test and procedural mechanism, whether a given refusal to pay was unjustified or not? That further legal and procedural issue is beyond the scope of this referral.

If Your Honorable Body directs LPD to further analyze the question of such a limited exemption from foreclosure in the context of unpaid special assessments under this ordinance, restricted only to unjustified refusal to pay, LPD will be pleased to do so. In that regard, the ordinance’s provision that the Finance Department may adopt rules for the implementation and administration of the ordinance [Sec. 18-12-123(a)], should be noted. In that event, Council may wish to request a discussion with representatives of the Finance and Law Departments, regarding the feasibility of incorporating a limited, or absolute, exemption from foreclosure for failure or refusal to pay such a special assessment.

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TO: The Honorable Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division (LPD) Staff

DATE: June 28, 2016

RE: **Special Assessment Districts, foreclosure remedy and
preemption**

In February and March 2015, LPD previously submitted two (2) alternative draft resolutions (attached) requesting that foreclosure be exempted from available remedies for failure to pay a special assessment. After the Law Department's February 2015 opinion regarding preemption of such a local legislative provision, LPD drafted (but at Council Members' request never provided) a rebuttal memorandum. That memorandum, dated March 3, 2015, is also attached.

If Council has any other questions or concerns regarding this subject, LPD will be happy to provide further research and analysis upon request.

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TO: Honorable Detroit City Council

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: March 3, 2015

RE: Reply to Law Dept. - Preventing foreclosure as a remedy for nonpayment of a neighborhood special assessment

On February 23, 2015¹ the Law Department issued a written opinion to the effect that the City allegedly may not enact an ordinance limiting the availability of foreclosure as a remedy in the collection of an unpaid neighborhood special assessment, pursuant to City of Detroit Ordinance No. 07-14, Chapter 18, Article XII, Sections 18-12-20 to 18-12-146, "*Special Assessments for Snow Removal, Mosquito Abatement, and Security Services*". LPD respectfully disagrees with that legal conclusion, and provides this report to apprise Council of the reasons for reaching this conclusion.

The Law Department's Opinion

In essence, the Law Department offers an argument that is logically valid on its carefully phrased terms, but based on an incorrect premise. The erroneous argument goes like this:

1. An ordinance is invalid if it conflicts with a state statute or the charter;
2. Such a conflict exists if the ordinance would forbid what the statute or charter authorizes; and
3. State law and the charter authorize "the City Treasurer as the city's collection officer *to use his or her discretion to include delinquent special assessments with delinquent property taxes returned to the County Treasurer.*" (Opinion, Page 4) (emphasis added)

¹ LPD received a copy of the Law Department's opinion on February 26. A copy of the opinion is attached for Council's convenience. At the request of President Pro Tem Cushingberry, LPD provided Your Honorable Body with a draft resolution requesting that the state legislature amend MCL 117.5i to prohibit foreclosure as a remedy in this context.

Therefore, goes this logic, since the proposed ordinance amendment exempting delinquent special assessments from being used as a basis for foreclosure would restrict to some extent the City Treasurer's discretion, it must "conflict" with the statute and the charter authorizations.

The Flaw in the Law Dept. Opinion

However, neither the statute nor the charter provisions at issue say the City Treasurer may "use discretion." Rather, as stated by LPD's attached report on this issue from July 2014, MCL 211.55 provides that a collecting officer may include as a delinquent tax any unpaid special assessment.

MCL 211.78a(2) states: "On March 1 in each year, taxes levied in the immediately preceding year that remain unpaid shall be returned as delinquent for collection." By directing the City Treasurer to omit any delinquent special assessment from the taxes to be returned to the County Treasurer under this statute, the amended ordinance would not in any way "conflict" with what the statute actually says and directs the official to do. The City Treasurer is to return the taxes levied that remain unpaid, as instructed by the statute. The proposed ordinance would merely instruct that, in doing so, any unpaid special assessment is to be omitted. There is no conflict.

Significantly, the Law Department cites no case law that stands for the position advanced by the logical argument (apparently constructed to avoid LPD's legal analysis).² There is no such legal support for preemption. On the contrary, myriad Michigan case law, summarized below, upholds the authority of local legislative bodies to modify the legal duties of local officials under local ordinances, especially where, as here, the ordinance is authorized by state statute (MCL 117.5i).

While it is impossible to confidently predict what courts will do regarding a specific issue in a particular case, LPD respectfully contends that there is no persuasive legal basis for concluding that the proposed ordinance amendment would be preempted in this instance. Rather than a compelling legal argument, the Law Department's opinion appears to rest on an unstated policy preference for using the ultimate remedy of foreclosure to enforce the special assessment ordinance. As Council knows, and as articulated by LPD in July 2014, there is a much more persuasive policy rationale for refraining from the use of that remedy in the City of Detroit, which has been ravaged over recent decades by successive waves of mass foreclosure, and which currently faces a continuing emergency over that issue.

The important principles of both: local legislative authority over matters not directly contradicting state enactments; and local government's greater familiarity with specific local conditions (such as the foreclosure problem in the City of Detroit) weigh heavily in favor of local action on this matter. After consideration of the opposing views and the case law summarized below, LPD respectfully suggests that Council may wish to direct the Law Department to revise,

² The case law cited in the Law Department's opinion sets out the general standards and legal definitions for finding a conflict between state and local laws that can give rise to preemption. These general standards and definitions are undisputed. It is in their application to the factual and legal subject matter at issue - i.e., the conclusion that any limits on discretion imposed by a local ordinance automatically create such a conflict and trigger preemption, a position for which there is no valid legal authority - where the Law Department's analysis errs.

if necessary, and approve as to form the ordinance amendment LPD provided in July 2014, and at least attempt to protect the City's neighborhoods from the potential extremely adverse consequences of foreclosures threatened by unwarranted, overly aggressive enforcement of the special assessment ordinance.

Legal Discussion

As briefly noted above, analysis of any claim of preemption of local legislative authority by state law should start with the key point that, in this instance, state law expressly authorizes the City to "provide by ordinance a procedure to finance by special assessment the provision by private contractors of" the specified services. This is not a situation where the City is seeking to intrude into a comprehensive state legislative scheme that "occupies the field", so to speak, and thus either expressly or impliedly preempts local legislative authority. Rather, the Law Department's opinion agrees, any claim of preemption requires a direct conflict between the local and state enactments. The absence of any such direct conflict here (and the absence of any case law to support the novel argument that limiting discretion in a matter expressly left up to local legislative authority automatically and necessarily gives rise to such a conflict), dooms the claim of preemption.

In *Rental Property Owners Assn of Kent County v City of Grand Rapids*, 455 Mich 246 (1997), the Michigan Supreme Court upheld a local nuisance abatement ordinance, in the face of a claim that it was preempted by the state nuisance abatement statute. The court reasoned that: the assertion that the mere existence of a state statute preempts local regulation of the same subject matter is unsupported; the enactment and enforcement of similar legislative goals and remedies at the state and local levels is not precluded by the preemption doctrine; and where the ordinance does not permit anything that the statute prohibits, or prohibit anything that the statute permits, "the ordinance does not directly conflict with" the statute. 455 Mich, at 261-263 The identical reasoning on analogous facts compels the same result here.

In *Inch Memorials v City of Pontiac*, 93 Mich App 932 (1979), the Michigan Court of Appeals upheld the municipality's power to sell grave markers, where the state legislature expressly authorized it to operate a cemetery. Similarly, where the state legislature has authorized the City to enact the special assessment ordinance, the City's authority should properly extend to the power to limit the use of foreclosure to enforce its own ordinance.

More recently in *Gmoser's Septic Service, LLC v Charter Township of East Bay*, 299 Mich App 504 (2013), the Michigan Court of Appeals upheld local regulation of septage waste in the face of a claim of preemption by the state Natural Resources and Environmental Protection Act.

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TO: The Honorable Detroit City Council

FROM: David Whitaker, Director
Legislative Policy Division Staff

DATE: February 27, 2015

RE: Resolution requesting change in state law authorizing foreclosure as a
remedy for nonpayment of a neighborhood special assessment

Council President Pro Tem Cushingberry requested that LPD draft a resolution requesting the state legislature to change the state law authorizing the City to establish neighborhood special assessment districts, so that nonpayment of such an assessment could not be the basis for foreclosure.

The requested draft resolution is attached.

LPD also intends to provide a legal memorandum in reply to the Law Department's opinion dated February 23, 2015, regarding this issue, as soon as possible.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DETROIT,
COUNTY OF WAYNE, STATE OF MICHIGAN, REGARDING FORECLOSURE AS A
REMEDY FOR FAILURE TO PAY LOCAL SPECIAL ASSESSMENTS**

WHEREAS, A State statute, MCL 117.5i, provides that "Whether or not authorized by its charter, a city [such as Detroit] with a population of more than 600,000 may provide by ordinance a procedure to finance by special assessments the provision by private contractors of snow removal from streets, mosquito abatement, and security services"; and

WHEREAS, Pursuant to the enabling statute, the City of Detroit has enacted Ordinance No. 07-14, Chapter 18, Article XII, Sections 18-12-20 to 18-12-146, "*Special Assessments for Snow Removal, Mosquito Abatement, and Security Services*"; and

WHEREAS, This ordinance provides for referral of nonpaying homeowners to the City Assessor and the County Treasurer with the implied threat of foreclosure, as an enforcement mechanism; and

WHEREAS, City Council Members are cognizant of the controversies and hardships attendant on the policy of including delinquent water and sewerage bills on tax rolls, which are forwarded to the County Treasurer for collection, potentially leading to foreclosure, and that the City of Detroit has suffered grievous economic and social harm from successive waves of foreclosures on homeowners that have decimated neighborhoods and property values; and

WHEREAS, Potentially increasing the foreclosure rate and crisis, based on what could foreseeably be large numbers of diverse disputes over special assessments owed for services rendered under contract with the Designated Neighborhood Improvement Organizations (DNIOs) authorized by the ordinance for snow removal, mosquito abatement and security, would be extremely undesirable from a policy perspective; and

WHEREAS, The City Law Department has advised that Ordinance No. 07-14, Chapter 18, Article XII, Sections 18-12-20 to 18-12-146, pursuant to MCL 117.5i, authorizes the City Assessor to forward nonpayment of such Special Assessments to the Wayne County Treasurer as part of its integrated tax roll submission and as the basis for foreclosure; and

WHEREAS, The City Law Department has advised that exempting nonpayment of such Special Assessments from the foreclosure process would conflict with State law that permits, although it does not require, local taxing authorities to include such Special Assessments in tax rolls returned for purposes of possible foreclosure;

NOW, THEREFORE, BE IT RESOLVED THAT; Detroit City Council respectfully requests that the Michigan State Legislature amend State law to prohibit nonpayment of any special assessment authorized pursuant to MCL 117.5i from being used as the basis for any foreclosure proceeding; and

BE IT FURTHER RESOLVED, THAT copies of this resolution shall be provided to the Mayor, Corporation Council, the members of the Detroit delegation in the State legislature, the City's State government lobbyist and other appropriate parties, including but not limited to media representatives and leaders of neighborhood associations in the City.


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TO: The Honorable Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: March 2, 2015

RE: Revised resolution requesting change in state law authorizing foreclosure as
A remedy for nonpayment of a neighborhood special assessment

Council President Pro Tem Cushingberry requested that LPD draft a resolution requesting the state legislature to change the state law authorizing the City to establish neighborhood special assessment districts, so that nonpayment of such an assessment could not be the basis for foreclosure. The requested draft resolution was provided on February 27.

LPD also provided a privileged and confidential legal memorandum in reply to the Law Department's opinion dated February 23, 2015.

On this date the Law Department requested a number of changes to the original draft resolution. (e-mail attached) The attached revised resolution makes changes suggested by the Law Department.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DETROIT,
COUNTY OF WAYNE, STATE OF MICHIGAN, REGARDING FORECLOSURE AS A
REMEDY FOR FAILURE TO PAY LOCAL SPECIAL ASSESSMENTS**

WHEREAS, A State statute, MCL 117.5i, provides that "Whether or not authorized by its charter, a city [such as Detroit] with a population of more than 600,000 may provide by ordinance a procedure to finance by special assessments the provision by private contractors of snow removal from streets, mosquito abatement, and security services"; and

WHEREAS, Pursuant to the enabling statute, the City of Detroit has enacted Ordinance No. 07-14, Chapter 18, Article XII, Sections 18-12-120 to 18-12-146, "*Special Assessments for Snow Removal, Mosquito Abatement, and Security Services*"; and

WHEREAS, This ordinance calls for the City Treasurer to refer the delinquent special assessment payment to the County Treasurer with the concomitant threat of foreclosure, as an enforcement mechanism; and

WHEREAS, City Council Members are cognizant of the controversies and hardships attendant on the policy of including delinquent water and sewerage bills on tax rolls, which are forwarded to the County Treasurer for collection, potentially leading to foreclosure, and that the City of Detroit has suffered grievous economic and social harm from successive waves of foreclosures on homeowners that have decimated neighborhoods and property values; and

WHEREAS, Potentially increasing the foreclosure rate and crisis, based on what could foreseeably be large numbers of diverse disputes over special assessments owed for services rendered under contract with the Designated Neighborhood Improvement Organizations (DNIOs) authorized by the ordinance for snow removal, mosquito abatement and security, would be extremely undesirable from a policy perspective; and

WHEREAS, The City Law Department has advised that under Ordinance No. 07-14, Chapter 18, Article XII, Sections 18-12-20 to 18-12-146, pursuant to MCL 117.5i, state law authorizes the City Treasurer to forward nonpayment of such Special Assessments to the Wayne County Treasurer as part of its integrated tax roll submission and as the basis for foreclosure; and

WHEREAS, The City Law Department has advised that exempting nonpayment of such Special Assessments from the foreclosure process would conflict with State law that permits, although it does not require, local taxing authorities to include such Special Assessments in tax rolls returned for purposes of possible foreclosure;

NOW, THEREFORE, BE IT RESOLVED THAT; Detroit City Council respectfully requests that the Michigan State Legislature amend State law to prohibit nonpayment of any special assessment authorized pursuant to MCL 117.5i from being used as the basis for any foreclosure proceeding; and

BE IT FURTHER RESOLVED, THAT copies of this resolution shall be provided to the Mayor, Corporation Counsel, the members of the Detroit delegation in the State legislature, the City's State government lobbyist and other appropriate parties, including but not limited to media representatives and leaders of neighborhood associations in the City.

David Whitaker, Esq.
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TO: Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division

DATE: August 11, 2016

RE: Report on Gaming Tax Revenue through June 2016

For Council's review, the attached schedules present the gaming tax revenue activity through June 2016 and prior fiscal years.

Through twelve months of the fiscal year the casinos collectively have reported revenue growth of 0.85% compared to the prior year. Individually, MGM's receipts are up by 1.95%, Motor City's are up by 1.19% and Greektown's are down by 1.49%, compared with the prior fiscal year.

In the final month of the fiscal year, the City collected \$12.92 million in gaming tax revenue, which was 1.22 % less than June 2015, as reflected in Chart 1. Actual collections through June total \$174.3 million. Chart 2 "Monthly Detroit Gaming Tax Collections" through a twelve-month moving average shows an increase of 0.80% since last June among the combined casino tax revenues. As the budget for gaming revenue was \$169.04 million, based on year end data, there is a surplus of \$5.3 million for the fiscal year for a gaming revenue total of \$174.3 million.

Adjusted gross casino gaming receipts came in at \$108.6 million for the month of June 2016 as shown in Chart 1A. This represents a 1.2% decrease over June 2015. Casino gross collections through June total \$1.376 billion. Chart 2A "Monthly Detroit Gaming Receipts" through a twelve-month moving average trend line shows growth of 0.60% among the combined casino receipts.

MGM and Motor City are each paying 12.9% of gross gaming receipts to the City, while Greektown Casino is paying 11.9% of gross gaming receipts and is broken out as follows. By state law, all casinos are now paying 10.9% of gross gaming receipts to the City as wagering tax.

The casinos also have an additional 1% payment because of the 2002 amended development agreement with the City. Additionally, if a casino reaches \$400 million in receipts in a calendar year, like MGM and Motor City have, then an additional 1% is paid to the City per the amended development agreement of 2002.

There is not a complete one-to-one relationship between the adjusted gross receipts and the tax revenue collection increases when comparing prior years, due to two factors. First, there is the fact that MGM and Motor City casinos began paying the City 1% less because of the permanent casinos opening on October 3 and November 29 of 2007. This reduction to the City is part of state Public Act 306 of 2004, when the legislature amended Public Act 69 of 1997, which was the original casino gaming legislation. P.A. 306 increased the wagering tax by 6% of which 2% went to the City of Detroit. P.A. also allowed that when the permanent casino had been certified by the state gaming board as having operated for 30 consecutive days and once the City determined the project was complete, 5% of the 6% additional wagering tax would be eliminated, with the remaining 1% allocated to the City where the casino is being operated. Greektown continued to pay the 6% additional wagering tax – 4% to the state, 2% to the City – until its permanent status was agreed to by the Administration and approved by the State Gaming Commission, which occurred on March 9, 2010.

Second, the amended development agreement of August 2002 between the City and the casinos, which is separate from the state law, has all casinos, beginning in January 2006, paying an additional 1% over the state law, plus another 1% when the casino reaches \$400 million in gross receipts in a calendar year. For the tenth year, MGM and Motor City were projected to exceed \$400 million in the calendar year and increase gaming tax collections by \$10.06 million between September and December. Actual collections exceeded projections by \$405,000. MGM reached \$400 million in September, and through December remitted an additional \$5.82 million. Motor City also reached \$400 million in November, and through December remitted an additional \$4.645 million.

It remains unclear as to what permanent effect the opening of the Toledo casino will have on the Detroit gaming market. Toledo, in the fourth full operating year, grossed \$196.6 million, a 4.4% increase over 2015. 2015's figures also showed a 4% growth over 2014.

Based on data from the Ontario gaming website, there is a significant gross revenue increase of over 10% this year from the prior year, although the annual gross has declined by 47% since 2004.

Attachments (7)

cc: Auditor General
John Hill, CFO
John Naglick, Finance Director
Tanya Stoudemire, Budget Director
Renee Short, Budget Manager
Aliyah Sabree, Mayor's Office

Chart 1

Monthly Comparison Detroit Gaming Tax Collections By Fiscal Year

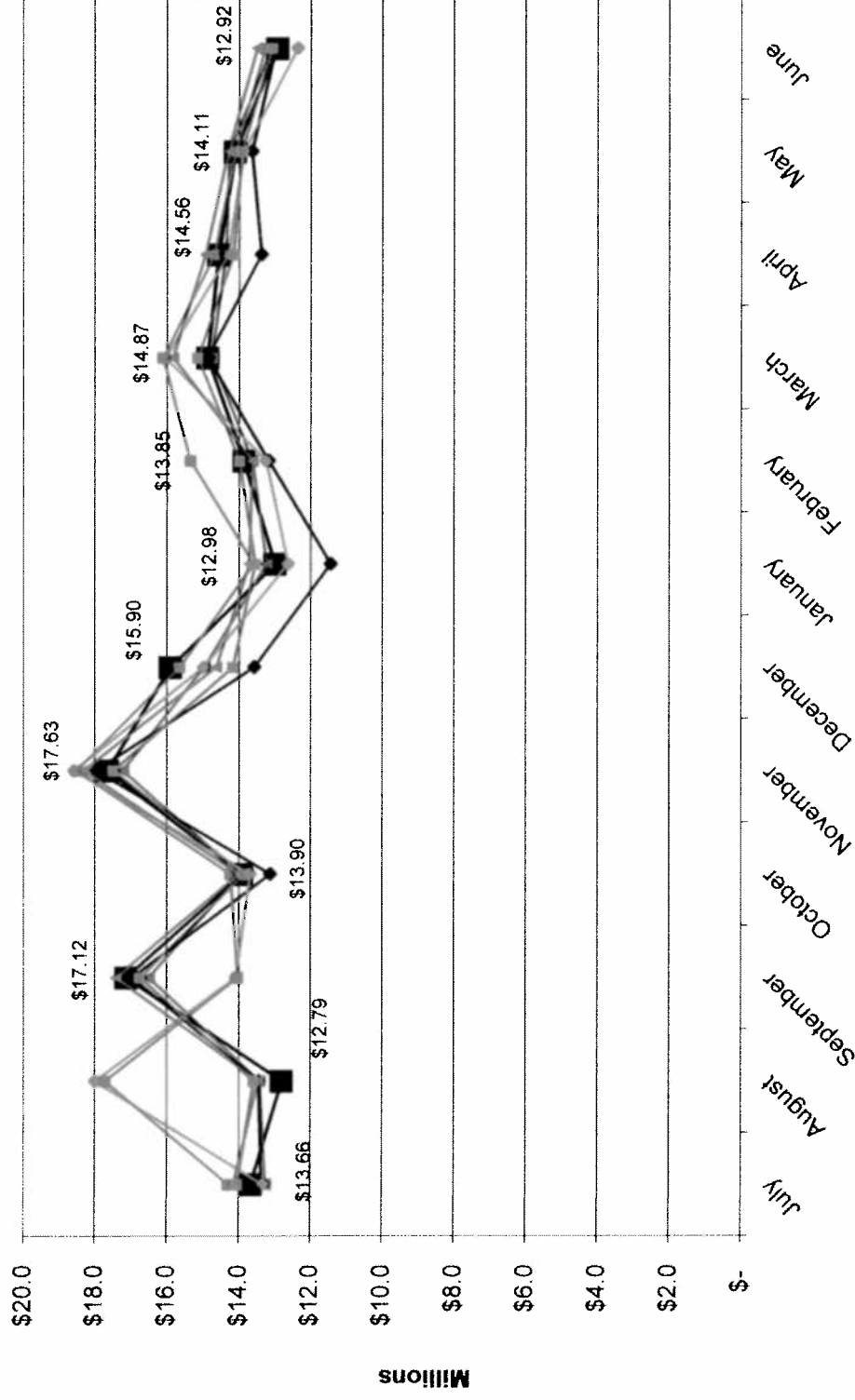


Chart1A

Monthly Comparison Adjusted Gross Casino Gaming Receipts By Fiscal Year

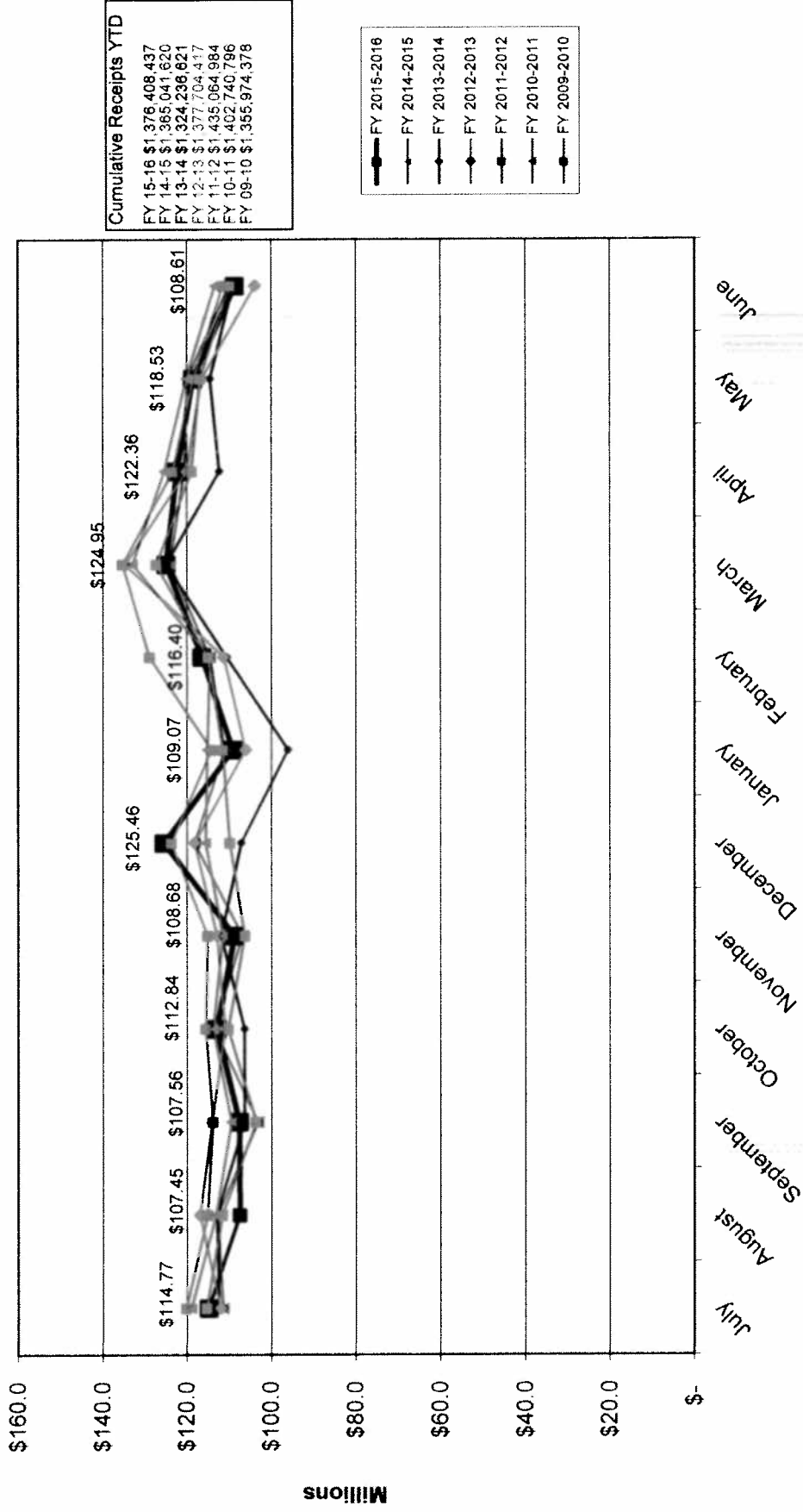


Chart 2

Monthly Detroit Gaming Tax Collection History

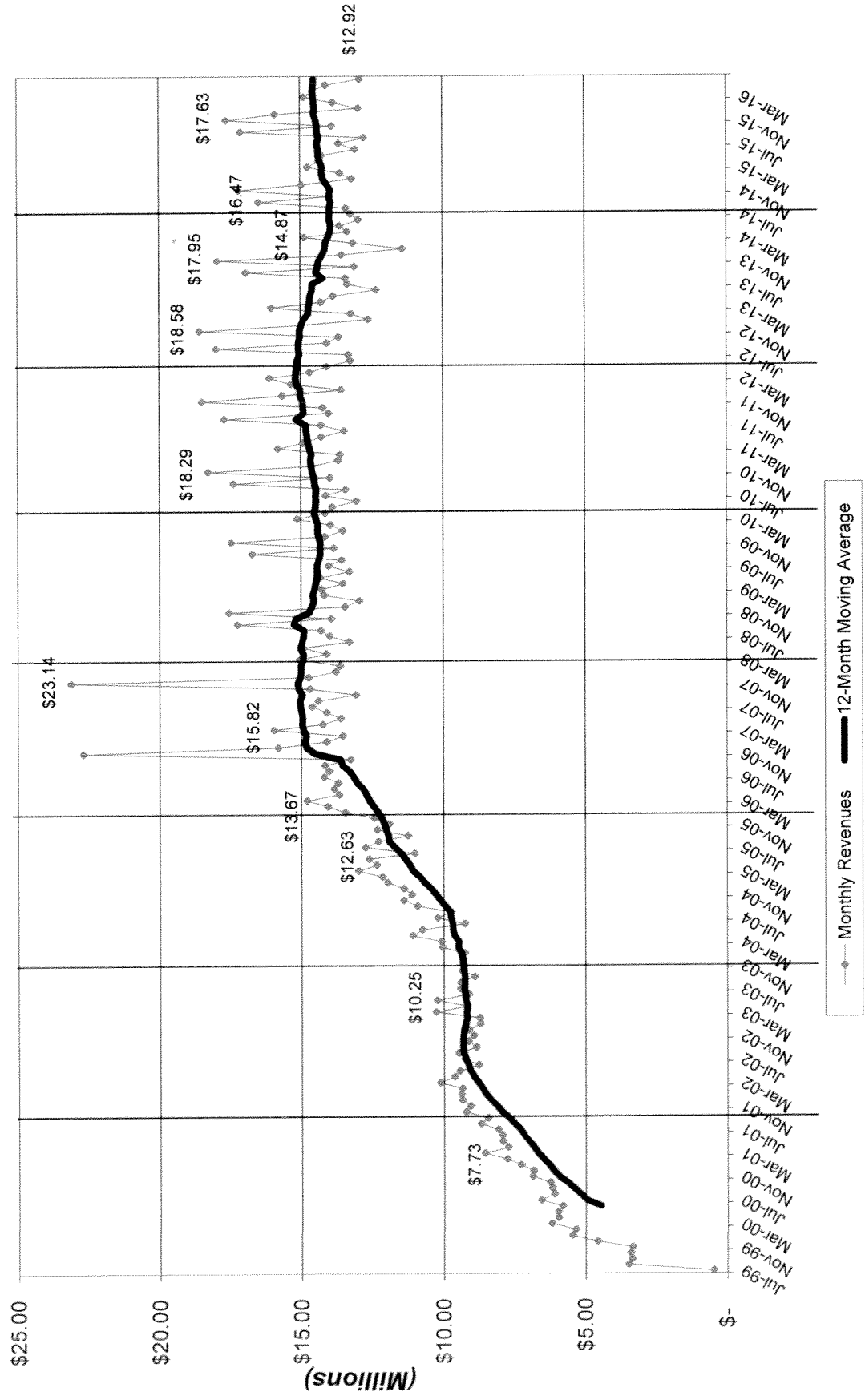


Chart 2A

Monthly Adjusted Gross Casino Gaming Receipt History

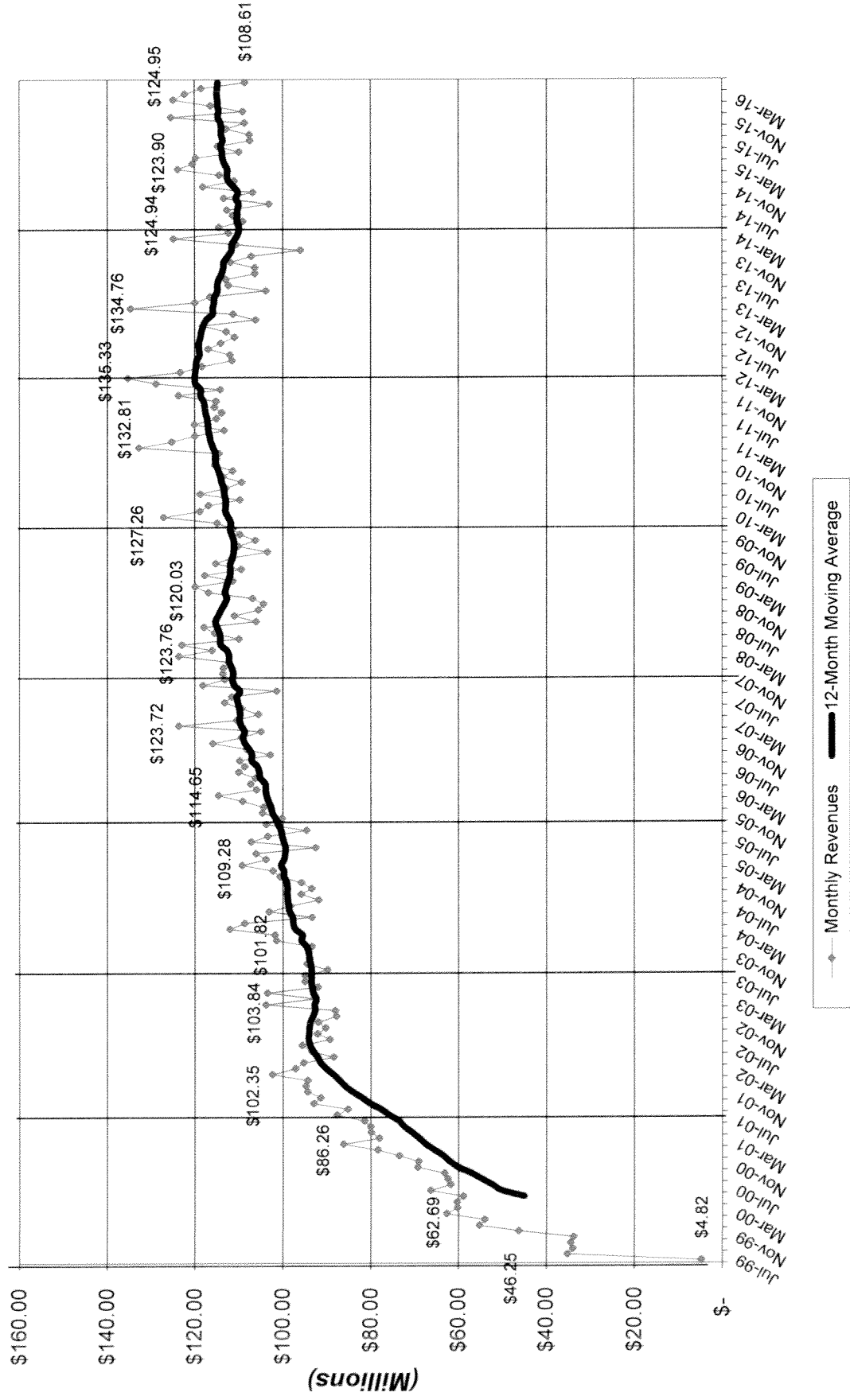


Chart 3

12-Month Moving Average Adjusted Gross Casino Gaming Receipts in Detroit

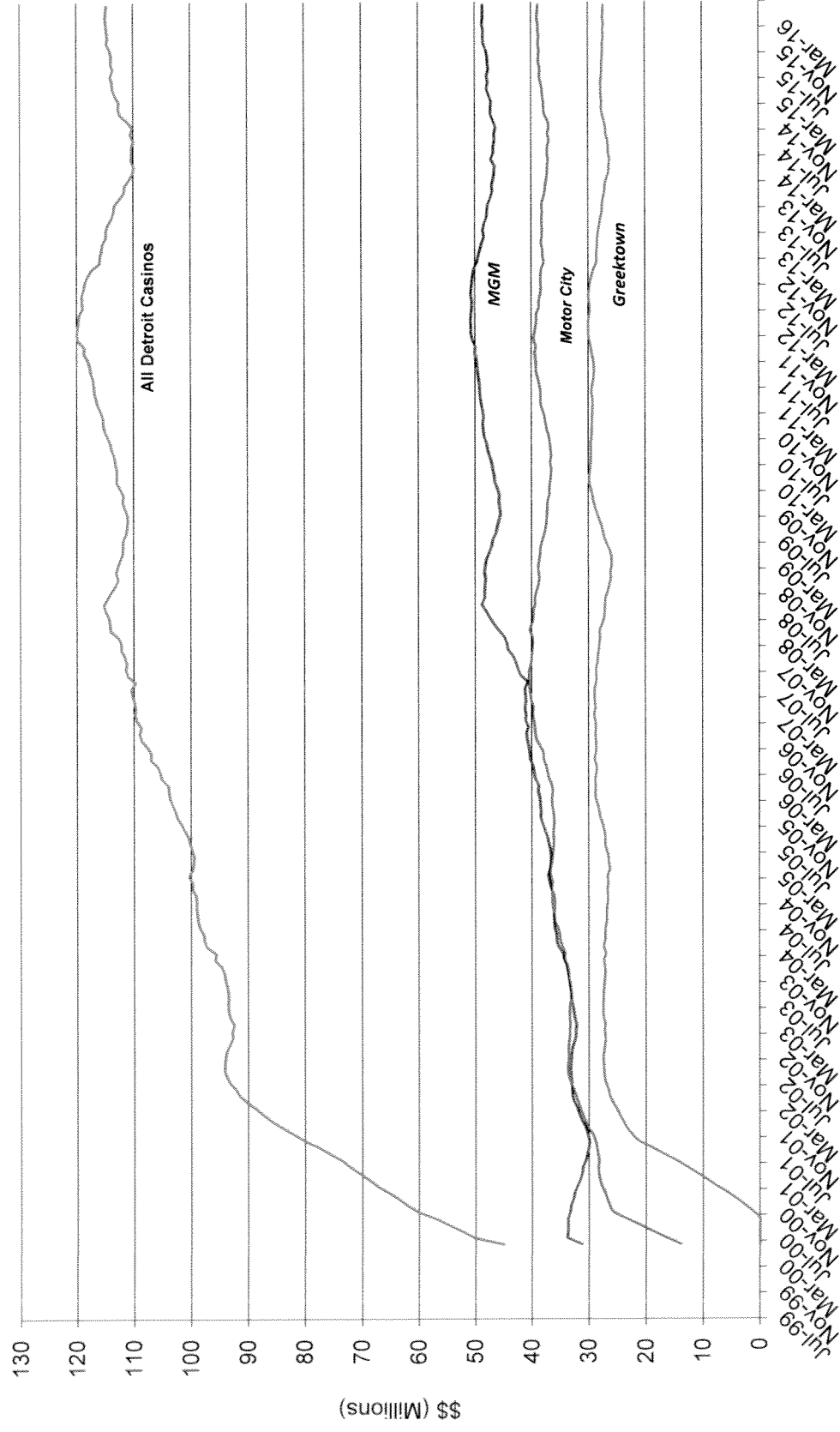
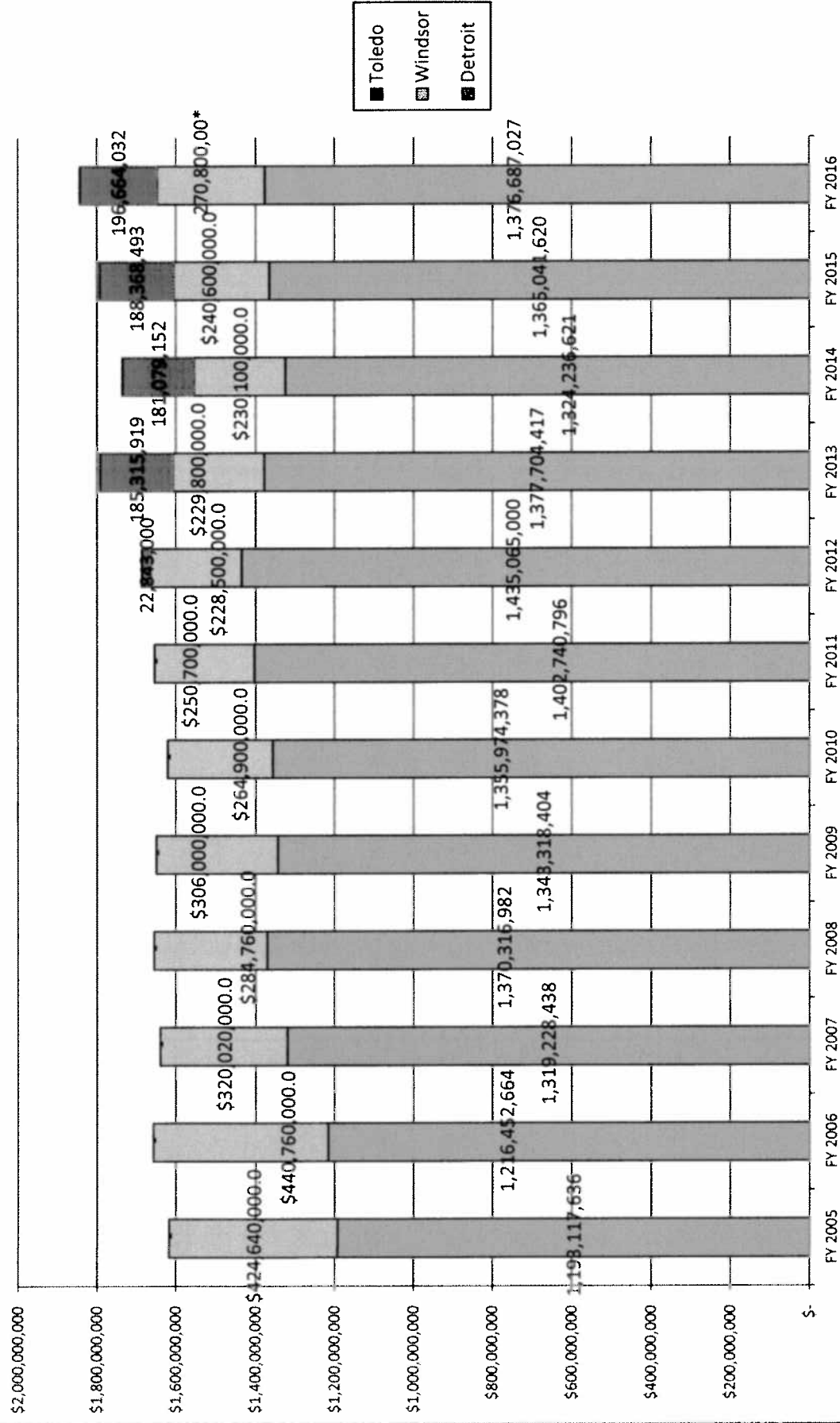


Chart 4

Regional Picture of Casino Revenue (Gross Collections)



Sources: Michigan Gaming Board, Ontario Lottery and Gaming, Ohio Casino Control Commission websites; *estimates for Windsor Gaming Jan-Jun 2016

Wagering Tax History and Tax Projections - All Casinos

I:\FISCAL\CASINO\GAMING\REV16_06\Wagering Tax Proj - All Casinos

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TO: Detroit City Council

FROM: David Whitaker, Director
 Legislative Policy Division *DW*

DATE: September 1, 2016

RE: Report on Gaming Tax Revenue through July 2016

For Council's review, the attached schedules present the gaming tax revenue activity through July 2016 and prior fiscal years.

In the first month of the fiscal year the casinos have reported combined revenue growth of 3.21% compared to the prior year. Specifically, MGM's receipts are up by 2.98%, Motor City's are up by 4.73% and Greektown's are up by 1.47%, compared with the prior fiscal year.

In the first month of the fiscal year, the City collected \$14.10 million in gaming tax revenue, which was 3.21 % better than July 2015, as reflected in Chart 1. Chart 2 "Monthly Detroit Gaming Tax Collections" through a twelve-month moving average trend line shows an increase of 1.42% since last July among the combined casino tax revenues. Based on existing data, we are currently projecting a surplus of \$6.4 million for the fiscal year for a gaming revenue total of \$177.5 million, a 1.89% increase over last year.

Adjusted gross casino gaming receipts came in at \$118.46 million for the month of July 2016 as shown in Chart 1A. This represented a 3.21% increase over July 2015. Chart 2A "Monthly Detroit Gaming Receipts" through a twelve-month moving average trend line shows growth of 1.25% among the combined casino receipts.

MGM and Motor City are each paying 12.9% of gross gaming receipts to the City, while Greektown Casino is paying 11.9% of gross gaming receipts and is broken out as follows. By state law, all casinos are now paying 10.9% of gross gaming receipts to the City as wagering tax. The casinos also have an additional 1% payment because of the 2002 amended development agreement with the City. Additionally, if a casino reaches \$400 million in receipts in a calendar

year, like MGM and Motor City, then an additional 1% is paid to the City per the amended development agreement of 2002.

There is not a complete one-to-one relationship between the adjusted gross receipts and the tax revenue collection increases when comparing prior years, due to two factors. First, there is the fact that MGM and Motor City casinos began paying the City 1% less because of the permanent casinos opening on October 3 and November 29 of 2007. This reduction to the City is part of state Public Act 306 of 2004, when the legislature amended Public Act 69 of 1997, which was the original casino gaming legislation. P.A. 306 increased the wagering tax by 6% of which 2% went to the City of Detroit. P.A. also allowed that when the permanent casino had been certified by the state gaming board as having operated for 30 consecutive days and once the City determined the project was complete, 5% of the 6% additional wagering tax would be eliminated, with the remaining 1% allocated to the City where the casino is being operated. Greektown continued to pay the 6% additional wagering tax – 4% to the state, 2% to the City – until its permanent status was agreed to by the Administration and approved by the State Gaming Commission, which occurred on March 9, 2010.

Second, the amended development agreement of August 2002 between the City and the casinos, which is separate from the state law, has all casinos, beginning in January 2006, paying an additional 1% over the state law, plus another 1% when the casino reaches \$400 million in gross receipts in a calendar year. For the eleventh year, MGM and Motor City are projected to exceed \$400 million in the calendar year and increase gaming tax collections by \$10.46 million between September and December.

Attachments (5)

cc: Auditor General
John Hill, CFO
John Naglick, Finance Director
Tanya Stoudemire, Budget Director
Renee Short, Budget Manager
Aliyah Sabree, Mayor's Office

Chart 1

Monthly Comparison Detroit Gaming Tax Collections By Fiscal Year

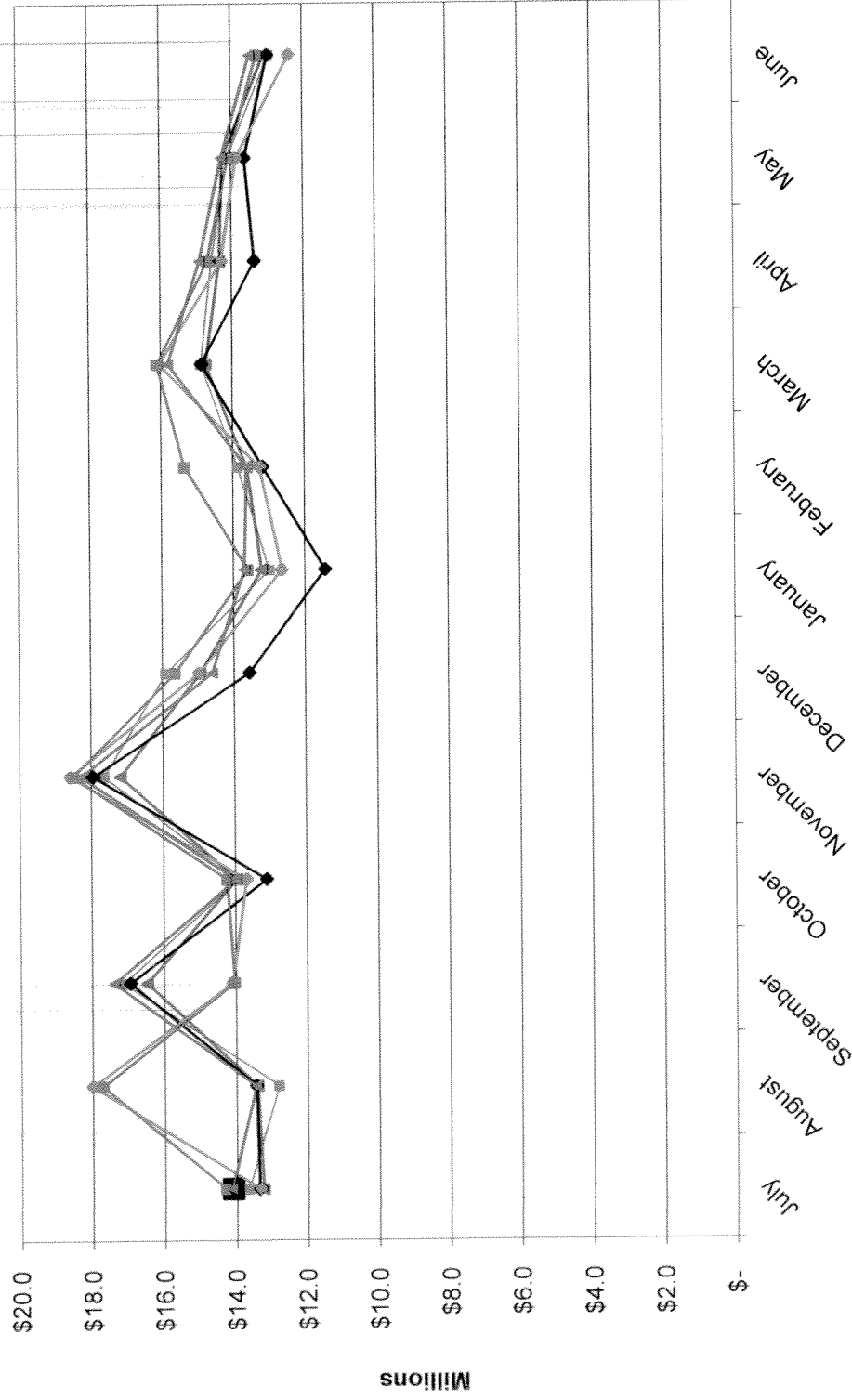
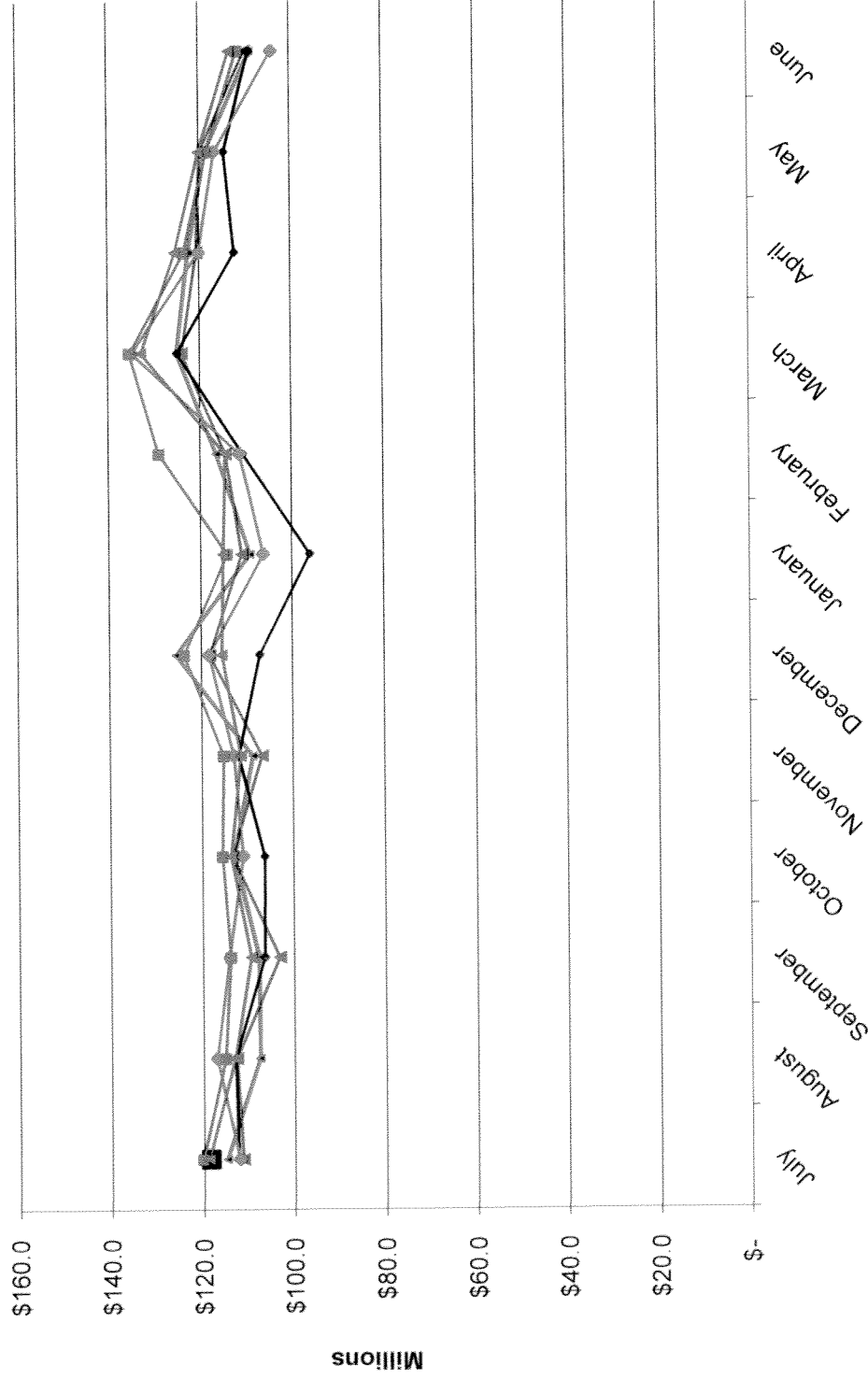


Chart1A

Monthly Comparison Adjusted Gross Casino Gaming Receipts By Fiscal Year



Cumulative Receipts YTD

FY 16-17	\$ 118,462,544
FY 15-16	\$1,376,406,437
FY 14-15	\$1,365,041,620
FY 13-14	\$1,324,236,621
FY 12-13	\$1,377,704,417
FY 11-12	\$1,435,064,984
FY 10-11	\$1,402,740,796

- FY 2016-2017
- FY 2015-2016
- FY 2014-2015
- FY 2013-2014
- FY 2012-2013
- FY 2011-2012
- FY 2010-2011

Chart 2

Monthly Detroit Gaming Tax Collection History

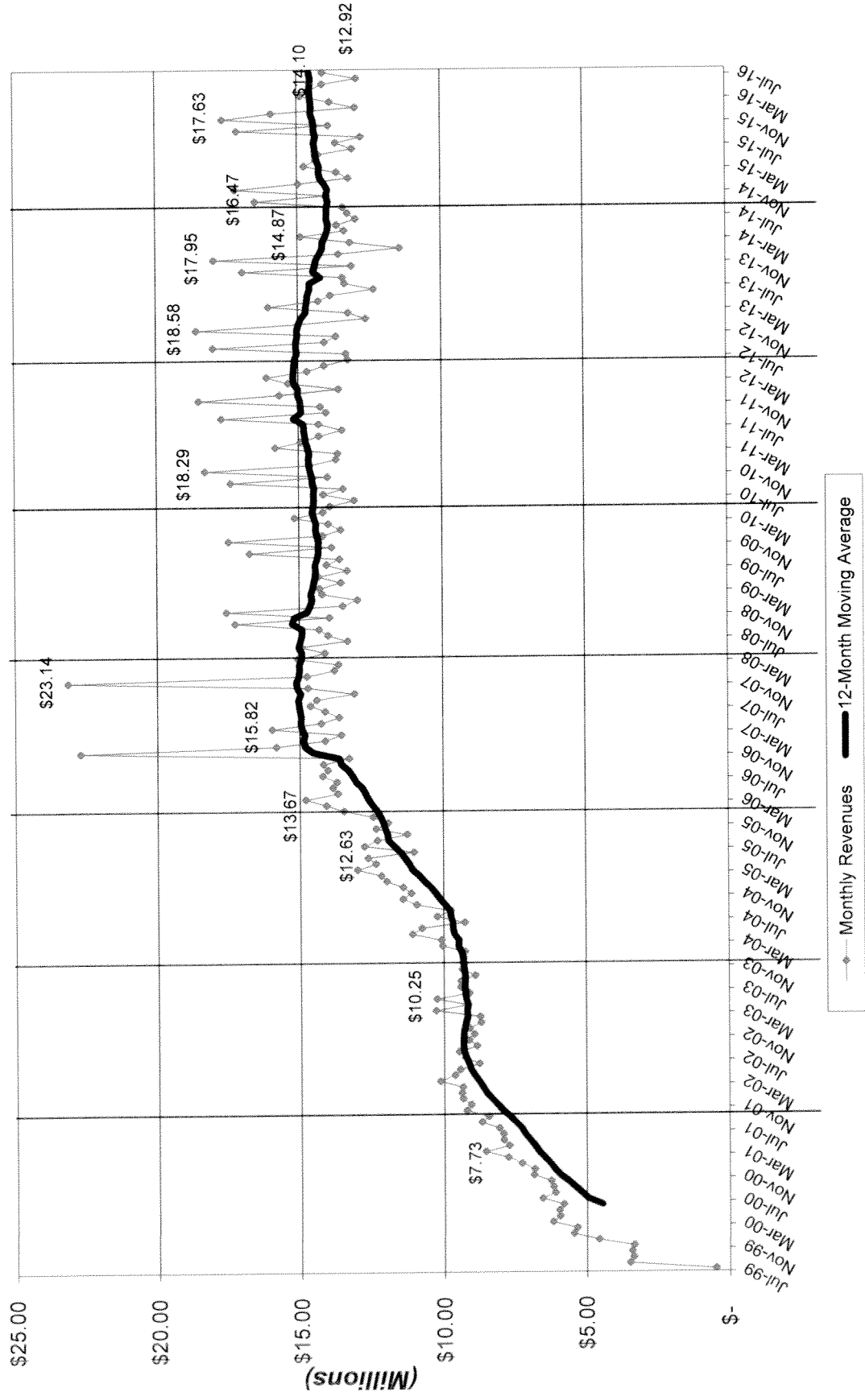


Chart 2A

Monthly Adjusted Gross Casino Gaming Receipt History

